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6 *Feb 26/10*

7 Attorney for Debtor

8  
9 UNITED STATES BANKRUPTCY COURT  
10 DISTRICT OF NEVADA

11 oOo

12 IN RE

13 HOPE EVANGELINE WILLIAMS dba  
14 CHERYL'S APARTMENTS, a sole  
15 proprietorship

16 BK-N-09-54139  
17 CHAPTER 11  
18 Hearing Date: \_\_\_\_\_  
19 and Time: \_\_\_\_\_  
20 Mtn No. \_\_\_\_\_  
21 Est Time: 25 Minutes

22 DEBTOR'S PLAN OF REORGANIZATION

23 Debtor(s).  
24 \_\_\_\_\_ /

25 **1. INTRODUCTION**

26 Hope Williams filed her Petition for Relief under Chapter 11 of the Bankruptcy Code on  
27 November 19, 2009. Her disclosure statement has been filed concurrently with this Proposed  
28 Plan.

29 This Plan of Reorganization is a proposal of Hope Williams to her Creditors and Parties-  
30 in-Interest to resolve the debts she owed on the date of filing the Petition and to provide for  
31 other interests.

32 This Plan must receive Creditor approval and/or the Court must find that it meets the  
33 requirements of the law. You are herewith provided with the opportunity to vote on the Plan,  
34 and your vote for the Plan is herewith solicited. If the Plan is not accepted and approved, then  
35 the law may allow: (1) the case to be dismissed out of the Bankruptcy Court, (2) Ms. Williams  
36 to attempt to draft another Plan, or (3) the case to go into a liquidation Bankruptcy (Chapter 7)  
37 with her assets being sold off and the proceeds being distributed according to law.

38 **II. DIVISION OF CREDITORS INTO CLASSES**

39 **Unsecured Priority Claims (Class 1)**

1 Ms. Williams owes no taxes. Michael Lehnert, Esq. and Nathan Zeltzer, Esq. were  
 2 employed by the estate on November 24, 2009. Ms. Williams paid a pre-petition retainer of  
 3 \$15,789.00. As of March 25, 2010 Mr. Lehnert and Mr. Zeltzer have an administrative claim  
 4 of \$17,580.00<sup>1</sup>. This includes the \$1,039.00 filing fee. Assuming these fees are approved, and  
 5 after payment from the trust account, there would be a remaining administrative balance of  
 6 \$1,791.00 to be paid through the plan, plus whatever fees are incurred and approved up  
 7 through plan confirmation.

8 **Claims secured by the Motel (Class 2 and Class 3)**

9 Class 2. Cheryl Cairns

10 Ms. Cairns holds a first deed of trust on the motel. She is owed approximately  
 11 \$710,000.00.

12 Class 3. Mike Panagiotou

13 Mr. Panagiotou holds a second deed of trust on the motel. He is owed approximately  
 14 \$240,000.00.

15 **Claims Secured by Vehicles the Debtor Intends to Keep (Class 4 and  
 16 Class 5)**

17 Class 4 Chase Auto Finance

18 Chase Auto Finance holds a security interest in Ms. Williams' 2009 Saturn. It is owed  
 19 approximately \$20,720.00.

20 Class 5. Chrysler Financial

21 Chrysler Financial holds a security interest in Ms. Williams' 2006 Dodge. It is owed  
 22 approximately \$12,639.00.

23 **Claims Secured by Vehicles the Debtor Intends to Surrender (Class 6)**

24 Class 6. Toyota Financial Services

25 Toyota Financial Services holds a security interest in Ms. Williams' 2008 Prius. It is  
 26 owed approximately \$20,543.00

27 **Claims Secured by the Debtor's Residence (Class 7 and Class 8)**

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28 <sup>1</sup> The claim is primarily owed to Mr. Lehnert. Mr. Zeltzer's fees total \$2,000.00, and this  
 amount has been advanced to him from Mr. Lehnert's trust account

1                   **Class 7. CitiMortgage**

2                   CitiMortgage holds a first deed of trust on Ms. Williams' residence. It is owed  
 3                   approximately \$123,561.00.

4                   **Class 8. CitiBank HELOC**

5                   CitiBank HELOC holds a second deed of trust on Ms. Williams' residence. It is owed  
 6                   approximately \$275,000.00.

7                   **Claims Secured by the Washington Home (Class 9)**8                   **Class 9. U.S. Bank Home Mortgage**

9                   U.S. Bank Home Mortgage holds a first deed of trust on Ms. Williams' Washington  
 10                   home. It is owed approximately \$127,230.00.

11                   **Executory Obligations (Class 10)**12                   **Class 10. Trinity Vendor Finance**

13                   Trinity Vendor Finance has leased the heating equipment for the motel. This lease shall  
 14                   be assumed.

15                   **Unsecured Non-priority Claims (Class 11)**

16                   The Schedules filed in this case indicate that on the Petition Date Ms. Williams'  
 17                   unsecured non-priority claims were \$139,849.00.

18                   **III. STATEMENT OF IMPAIRMENT UNDER THE PLAN**

19                   There will be no impairment of Claims under this Plan in Classes 1, 4, 5, 7, 8, 9, and  
 20                   10. Classes 2, 3, 6, and 11 are impaired.

21                   **IV. PLAN FUNDING**

22                   Ms. Williams will fund the plan by making payments of \$400.00 per month for five  
 23                   years. In addition, she will list the motel for sale with Brian Egan of Egan Commercial Real  
 24                   Estate.

25                   **V. TREATMENT OF AND PROJECTED DISTRIBUTION TO  
 26                   CREDITORS.**27                   **A. Class 1**

28                   Class 1 claims are entitled to priority under 11 U.S.C. 507(a). They shall be paid in full  
 before any other unsecured claims set forth under this plan, in deferred cash payments.

29                   **B. Class 2**

1 Class Two creditor Cheryl Cairns. She shall continue to receive monthly payments of  
2 \$5,503.28 until a sale of the Motel whereupon she shall be paid in full.  
3

4 C. Class 3

5 Class Three creditor Mike Panagiotou. He shall continue to receive monthly payments of  
6 \$2,000.00 until a sale of the Motel whereupon his claim shall be paid in full up to the amount of  
7 available sales proceeds. This creditor shall be given an unsecured claim for any deficiency.  
8 This creditor is impaired. Based upon the value of the motel and its unique nature, it is  
9 anticipated that this creditor will not be paid in full from a sale of the motel.  
10

11 D. Class 4

12 Class Four creditor Chase Auto Finance. This debt shall not be modified by the plan.  
13 This creditor shall retain its lien, and Ms. Williams shall continue making regular monthly  
14 payments throughout the life of the plan.  
15

16 E. Class 5

17 Class Five creditor Chrysler Financial. This debt shall not be modified by the plan. This  
18 creditor shall retain its lien, and Ms. Williams shall continue making regular monthly payments  
19 throughout the life of the plan.  
20

21 F. Class 6

22 Class Six creditor Toyota Financial Services. Ms. Williams shall surrender the 2008  
23 Prius to this creditor. In the event that there is a deficiency following the sale of this vehicle,  
24 then this Creditor shall be treated as a Class 11 unsecured creditor.  
25

26 G. Class 7

27 Class Seven Creditor CitiMortgage. This debt shall not be modified by the plan. This  
28 creditor shall retain its lien, and Ms. Williams shall continue making regular monthly payments  
throughout the life of the plan.  
29

30 H. Class 8

31 Class Eight creditor CitiBank HELOC. This debt shall not be modified by the plan. This  
32 creditor shall retain its lien, and Ms. Williams shall continue making regular monthly payments  
33 throughout the life of the plan.  
34

1                   I. Class 9

2                   Class Nine creditor U.S. Bank Home Mortgage. This debt shall not be modified by the  
3 plan. This creditor shall retain its lien, and Ms. Williams shall continue making regular monthly  
4 payments throughout the life of the plan.

5                   J. Class 10

6                   Class Ten creditor Trinity Vendor Finance. This executory obligation shall be assumed  
7 upon confirmation of the plan.

8                   K. Class 11

9                   Class Eleven creditors are non-priority unsecured claims. These consist of the claims set  
10 forth in Schedule "F" as well as any deficiency claims which may arise from treatment of  
11 secured claims by the plan. After payment in full of Class One claims, these creditors shall be  
12 paid pro-rata to the extent that funds are available from Ms. Williams' monthly plan payments  
13 and any surplus equity which may be realized after the sale of the motel. It is anticipated that  
14 these creditors shall receive no distribution through the plan.

15                   **VI LIQUIDATION ANALYSIS**

16                   In a hypothetical chapter seven, the Trustee would liquidate Ms. Williams' non-exempt  
17 property. The only real property with equity in it is Ms. Williams' residence, which has a  
18 maximum equity of \$46,439.00. This equity has been claimed exempt under California's  
19 homestead exemption, and it would not be liquidated by the Trustee. There is no equity in the  
20 motel or the Washington home.

21                   Ms. Williams' personal property is worth \$67,355.00. All but \$8,650.75 is exempt. In  
22 a hypothetical chapter seven, the Chapter Seven Trustee would distribute \$8,650.75 to  
23 unsecured creditors in order of priority.

24                   **VII MISCELLANEOUS PROVISIONS**

25                   A. Upon confirmation of the Plan, all property of the estate of Ms. Williams shall  
26 be revested in her, and she shall retain such property free and clear of all claims and interests of  
27 the creditors, except as set forth in the Plan.

1           B.     Ms. Williams will serve as disbursing agent and shall disburse all property to be  
 2 distributed under the Plan. She may employ or contract with other entities to assist in or to  
 3 perform the distribution of the property and shall serve without bond.

4           C.     Ms. Williams does not anticipate any post-confirmation litigation, except for  
 5 collection matters that occur in the normal course of her business, and the determination of  
 6 certain claims.

7           D.     In the event Ms. Williams becomes delinquent in any payment required under the  
 8 Plan, the affected creditor or creditors may provide written notice of such default to Ms.  
 9 Williams and her counsel at the following addresses: Hope Williams, 10761 Ponderosa Drive,  
 10 Truckee, CA. 91691 and Michael Lehners, Esq. 429 Marsh Ave., Reno, Nevada 89509.

11           Ms. Williams shall thereafter have ten (10) business days from receipt of said notice in  
 12 which to cure the default. In the event such default remains uncured, the affected  
 13 creditor or creditor may bring the matter before the Bankruptcy Court. At any hearing, the  
 14 Bankruptcy Court may consider the reason for the default and the ability of Ms. Williams to  
 15 bring the payment(s) current in a reasonable period of time. The Bankruptcy Court may also  
 16 consider conversion of the case to a Chapter 7 of the Code or dismissal if the same is in the best  
 17 interests of creditors.

18           E.     The estate shall be deemed to be fully administered upon confirmation of the  
 19 Plan.

20           **VIII RETENTION OF JURISDICTION**

21           The Bankruptcy Court shall retain jurisdiction for the following specific purposes:

22           A.     For the purpose specified in § 1142 of the Bankruptcy Code;

23           B.     The consideration of claims and such objections as may be filed to the  
 24 claims of creditors pursuant to § 502 of the Bankruptcy Code, and to file  
 25 and prosecute any counterclaims against such creditors;

26           C.     The fixing of compensation for the parties entitled thereto;

27           D.     To hear and determine the amount of all encumbrances or the recovery of  
 28 any preferences, transfers, assets or damages to which Ms. Williams' estate may be entitled under applicable provisions of the Bankruptcy Code or other federal, state, or local law;

- 1 E. To reinstate the automatic stay pending a determination of the amount owed  
in any secured claim;
- 2 F. To hear and decide any causes of action now held by Ms. Williams, and  
determine all questions and disputes regarding title to the assets of the  
estate;
- 3 G. To resolve any disputes regarding interpretation of the Plan;
- 4 H. To implement the provisions of the Plan, including all provisions in the  
Plan which specify the retention of jurisdiction, and to make such further  
orders as will aid in consummation of the Plan, including granting  
declaratory relief, issuing injunctions, and ordering the sale of any property  
after Plan confirmation;
- 5 I. To adjudicate controversies regarding property of Ms. Williams' estate and
- 6 J. Determine issues regarding ownership thereof, including adjudication of  
causes of action which constitute property of the estate;
- 7 K. To modify this Plan in accordance with § 1127 of the Bankruptcy Code;  
and
- 8 L. Enter a final decree and order closing the case.

## IX REQUEST FOR APPLICATION OF 11 U.S.C. §1129 (b)

Ms. Williams, as Plan proponent, requests this Court find that the provisions for dissenting classes provide for fair and equitable treatment of said creditors, and to confirm its Plan notwithstanding the requirements of §1129 (a)(8) as to such classes.

## X MODIFICATION OF PLAN

Ms. Williams may modify the Plan with regard to the treatment of any creditor class, in connection with any agreement or settlement with such creditor class or in order to comply with the requirements of the Code as established by the Court, provided such modification does not materially adversely affect any other class of creditors. Such modifications may be reflected in the order confirming the plan of reorganization. Any other modifications of the Plan shall be in accordance with §1127 of the Code.

Dated: This 25 day of March, 2010

By:

  
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Nevada Bar Number 003331